In the Supreme Court of the United States

OCTOBER TERM, 1965

CALIFORNIA, Petitioner vs. Lyman E. Buzard

On Writ of Certiorari to the Supreme Court of the State of California

Brief for Respondent

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No. 40

THE PEOPLE OF THE STATE OF CALIFORNIA,

Petitioner.

VS.

LYMAN E. BUZARD,

Respondent.

On Writ of Certiorari to the Supreme Court of the State of California

Brief for Respondent

QUESTION PRESENTED

Whether the Soldiers' and Sailors' Relief Act of 1940, 50 U.S.C. App., § 574, exempts a nonresident serviceman stationed in California from payment to California of vehicle licenses, fees and excises, prior to the time he is liable to his State of residence for its vehicle licenses, fees and excises.

STATUTES INVOLVED

A. Federal Statutes.

1. THE SOLDIERS' AND SAILORS' RELIEF ACT, 50 U.S.C. APP. 6 574.

(1) For the purposes of taxation in respect of any person, or of his personal property, income, or gross income, by any State, Territory, possession, or political subdivision of any of the foregoing, or by the District of Columbia, such person shall not be deemed to have lost a residence or domicile in any State, Territory, possession, or political subdivision of any of the foregoing, or in the District of Columbia, solely by reason of being absent therefrom in compliance with military or naval orders, or to have acquired a residence or domicile in, or to have become resident in or a resident of, any other State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia, while, and solely by reason of being, so absent. For the purposes of taxation in respect of the personal property, income, or gross income of any such person by any State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia, of which such person is not a resident or in which he is not domiciled, compensation for military or naval service shall not be deemed income for services performed within, or from sources within, such State, Territory, possession, political subdivision, or District, and personal property shall not be deemed to be located or present in or to have a situs for taxation in such State, Territory, possession, or political subdivision, or district: Provided. That nothing contained in this section shall prevent taxation by any State, Territory, possession, or political subdivision of any of the foregoing, or the District of Columbia in respect of personal property used in or arising from a trade or business, if it otherwise has jurisdiction. This section shall be effective as of September 8, 1939, except that it shall not require the crediting or refunding of any tax paid prior to October 6, 1942.

(2) When used in this section (a) the term "personal property" shall include tangible and intangible property (including motor vehicles), and (b) the term "taxation" shall include but not be limited to licenses, fees, or excises imposed in respect to motor vehicles or the use thereof: Provided, That the license, fee, or excise required by the State, Territory, possession, or District of Columbia of which the person is a resident or in which he is domiciled has been paid.

B. California Statutes.

1. CALIFORNIA REVENUE AND TAXATION CODE, SECTION 10751.

A license fee is hereby imposed for the privilege of operating upon the public highways in this State any vehicle of a type which is subject to registration under the Vehicle Code.

2. CALIFORNIA REVENUE AND TAXATION CODE, SECTION 18752.

The annual amount of the license fee shall be a sum equal to two (2) percent of the market value of the vehicle as determined by the department.

3. CALIFORNIA REVENUE AND TAXATION CODE, SECTION 10758.

The license fee imposed under this part is in lieu of all taxes according to value levied for State or local purposes on vehicles of a type subject to registration under the Vehicle Code whether or not the vehicles are registered under the Vehicle Code.

4. CALIFORNIA VEHICLE CODE, SECTION 9250.

A registration fee of eight dollars (\$8) shall be paid to the department for the registration of every vehicle of a type subject to registration, except as are expressly exempted under this code from the payment of registration fees, and except those referred to in Section 9253.

5. CALIFORNIA VEHICLE CODE, SECTION 6701.

Any nonresident owner of a foreign vehicle who is a member of the Armed Forces of the United states on active duty within this State shall be entitled to the exemption granted under Section 6700 under the conditions therein set forth. Any member of the Armed Forces, whether a resident or nonresident, shall also be entitled to exemption from registration in respect to a vehicle owned by him upon which there is displayed a valid license plate or plates issued for such vehicle in a state where such owner was regularly assigned and stationed for duty by competent military orders at the time such license plate or plates were issued. Such competent military orders shall not include military orders for leave, for temporary duty, nor for any other assignment of any nature requiring his presence outside the state where such owner was regularly assigned and stationed for duty.

6. CALIFORNIA VEHICLE CODE, SECTION 4000.

No person shall drive, move, or leave standing any motor vehicle, trailer, semi-trailer, pole or pipe dolly, or auxiliary dolly upon a highway unless it is registered and the appropriate fees have been paid under this code.

C. Washington Statutes.

1. REVISED CODE OF WASHINGTON, SECTION 46.12.010.

Certificates required to operate and sell vehicles. It shall be unlawful for any person to operate any vehicle in this state under a certificate of license registration of this state without securing and having in full force and effect a certificate of ownership therefor and it shall further be unlawful for any person to sell or transfer any vehicle without complying with all the provisions of this chapter relating to certificates of ownership and license registration of vehicles. Pro-

vided, That the provisions of this section relating to the sale of vehicles shall not apply to the first sale of vehicles by manufacturers and dealers: Provided Further, That nothing in this title shall be construed to prevent any person entitled thereto from securing a certificate of ownership upon a vehicle without securing a certificate of license registration and vehicle license plates, when, in the judgment of the director of licenses, it is proper to do so.

2. REVISED CODE OF WASHINGTON, SECTION 46.12.020.

Prerequisite to issuance of vehicle license and plates. No vehicle license number plates or certificate of license registration, whether original issue or duplicates, shall be issued or furnished by the director of licenses unless the applicant therefor shall at the same time make satisfactory application for a certificate of ownership or shall present satisfactory evidence that such a certificate of ownership covering such vehicle has been previously issued.

3. REVISED CODE OF WASHINGTON, SECTION 46.12.030.

Application for certificate of ownership shall be upon a blank form to be furnished by the director of licenses and shall contain:

(1) a full description of the vehicle, which said description shall contain the manufacturer, serial number if it be a trailer, the motor number or proper identification number if it be a motor vehicle, and any distinguishing marks or identification;

(2) a statement of the nature and character of the applicant's ownership, and the character of any and all encumbrances other than statutory liens upon said

vehicle;

(3) such other information as the director of licenses may require: *Provided*, That the director of licenses may in any instance, in addition to the information required on said application, require additional infor-

mation and a physical examination of the vehicle or of

any class of vehicles, or either.

Such application shall be subscribed by the applicant and be sworn to by him before a notary public or other officer authorized by law to take acknowledgment of deeds, or other person authorized by the director of licenses to certify to the signature of the applicant upon such application.

4. REVISED CODE OF WASHINGTON, SECTION 46.16.010.

It shall be unlawful for a person to operate any vehicle over and along a public highway of this state without first having obtained and having in full force and effect a current and proper vehicle license and display vehicle license number plates therefor as by this chapter provided: *Provided*, That these provisions shall not apply to farm tractors.

5. REVISED CODE OF WASHINGTON, SECTION 46.16.060.

Except as otherwise specifically provided by law for the licensing of vehicles, there shall be paid and collected annually for each calendar year or fractional part thereof and upon each vehicle a license fee in the sum of six dollars and ninety cents: *Provided*, however, That the fee for licensing each house moving dollie which is used exclusively for moving buildings or homes on the highway under special permit as provided for in chapter 46.44, shall be twenty-five dollars.

6. REVISED CODE OF WASHINGTON, SECTION 82.44.020.

An excise tax is imposed for the privilege of using in the state any motor vehicle, except those operated under dealer's licenses. The annual amount of such excise shall be two percent of the fair market value of such vehicle: *Provided*, That in no case shall the tax be less than one dollar: *Provided further*, That during the period of changeover to the staggered system of registration of those motor vehicles as defined in

RCW 46.16.400 the excise tax may be computed and imposed for periods of less than one year sufficient to make the collection thereof coincide with the collection of license fees on such vehicles.

ARGUMENT

Respondent, a citizen of Washington bought his car in Alabama while on extended temporary duty there. He registered it in Alabama and paid all required fees and taxes. When he returned to California, his permanent duty station, he sought to register his car in California but public officials refused when he declined to pay the fees demanded. He was thereafter convicted of violation of Vehicle Code Section 4000, making it a misdemeanor to drive a vehicle on California highways without registering it and paying "appropriate fees".

The pertinent California statutes require the payment of a vehicle registration fee of eight dollars (Vehicle Code, Section 9250) and also the annual payment of a motor vehicle "license fee", imposed for the privilege of operating the vehicle on California public highways (Revenue and Taxation Code, Section 10751). The annual license fee, which is in lieu of ad valorem taxes on the vehicle (Revenue and Taxation Code, Section 10758), is set at 2% of the market value of the vehicle (Revenue and Taxation Code, Section 10752).

The California Supreme Court, in a unanimous decision, reversed respondent's conviction and ruled that the State officials had improperly conditioned registration of his car on payment of licenses, fees or excises from which he was exempt under the terms of the Soldiers' and Sailors' Civil Relief Act, 50 U.S.C. App., § 574.

I. Taxation, Not Registration, Is the Issue.

From the outset respondent has admitted that any State has the right under its police power to require the registration of vehicles using its highways. Respondent stated this in Justice Court (T.R. 27) and has consistently taken the same position since that time. The California Supreme Court recognized that this was so:

"Defendant does not contend that California may not, as an exercise of its police power, require him to register his automobile. In fact, his attempt to register the vehicle independently of the payment of fees and penalties was frustrated by the department. Defendant's position is simply that the Soldiers' and Sailors' Civil Relief Act of 1940 (hereinafter the Relief Act) prohibits the collection of such fees as an incident to a proper exercise of the police power or otherwise. As a consequence of the narrow question thus raised by the defendant, contentions which look to the purpose of registration in furtherance of proper law enforcement and administration fail to address themselves to the issue." (T.R. 46-47.)

Petitioner's brief nevertheless devotes itself to an argument which confuses registration with taxation (Brief, page 11). The Solicitor General's Memorandum likewise attempts to overturn the California Supreme Court's judgment by arguing that it affects registration (Memorandum, page 5).

Respondent has never objected to registering his car in California; he has objected only to the imposition of taxes as a condition to such registration. It is to be noted that respondent sought to register his car immediately upon returning to California but officials of the State refused to register it. Their concern was not one of public safety; the concern which petitioner purports to express now in its brief. Quite the opposite. Their concern was with the collection of revenue. If petitioner were to be the least bit

candid, it would admit this and cease attempting to justify its taxes by riding on the coattails of a registration and

public safety argument.

The Solicitor General's argument proceeds on the non sequitur that the issuance of plates or other identification to nonresident servicemen is made impossible unless the States are permitted to collect from those servicemen all of the assorted fees, licenses and exercises which they exact of their residents. Its conclusion is that Congress could not have intended that there be registration of vehicles without the "payment of fees." The answer to this is that the "fees" which were demanded of respondent, as a condition to registration, were for the most part completely unassociated with registration. They are taxes imposed for the privilege of driving on the highways of the State once the privilege is sought to be enjoyed. Their collection it timed so that they are paid at the time of registration but this is their only connection with registration.

Of the \$108.00 demanded of respondent at the time he sought to register his car in California, \$8.00 was specifically charged for "registration." (Motor Vehicle Code, Section 9250.) The remainder was for the license fee, excise taxes and penalties (Revenue and Taxation Code, Sections 10752, 10758). The Solicitor General makes no attempt to justify the demand for this one hundred dollars over and above what the State itself defined as being the fee for registration of the vehicle.

- II. The Exemption of the Relief Act Is Denied Only to That Serviceman Who Is in Arrears on Licenses, Fees and Excises Presently Due and Owing by His State of Residence.
- A. WASHINGTON HAD NOT REQUIRED THE PAYMENT OF ANY LICENSE, FEE OR EXCISE AT THE TIME OF RESPONDENT'S ARREST.

The provisions of Section 574 exempt a non-resident serviceman from payment of "licenses, fees or excises imposed

in respect to motor vehicles or the use thereof: Provided. That the license, fee or excise required by the State . . . of which the person is a resident or in which he is domiciled has been paid." The serviceman's State of residence in this case is Washington, and at the time he was arrested in California no license, fee or excise was required of him by Washington.

The only fees imposed on the vehicles of Washington residents are an annual \$6.90 "license fee" (RCW 46.16.060) and an annual motor vehicle excise tax in the amount of 2% of the market value of the vehicle (RCW 82.44.020). Neither the license fee nor the excise tax is required of any resident who does not use the highways of Washington during the year. Nor is either required of any resident who does use the highways during the year until such use commences. The license fee is an annual charge and is required only when a vehicle is operated "over and along a public highway of this state. . . ." (RCW 46.16.010, Emphasis Supplied). The excise tax by its own definition is for the "privilege of using in the State any motor vehicle. . ." (RCW 82.44.020. Emphasis Supplied).

In enacting Section 574, Congress did not define what licenses, fees and excises should be required of residents of Washington. It left to Washington itself the determination of what it would "require" of its residents. As the Washington statutes were written in 1960, at the time of respondent's arrest and conviction in California, Washington "required" nothing of its residents prior to the time they first operated

their vehicles on its highways.

Respondent did not use the highways of Washington until several months after his arrest when, on his first leave, he returned to Washington and paid all fees and taxes for which he then became liable (TR 25-26).

B. "REQUIRED" AS USED IN THE RELIEF ACT MEANS "DEMANDED" OR "EXACTED".

The protection of Section 574 is extended to servicemen provided the license, fee or excise "required by the State" of which he is a resident has been paid. The word "required" as there used means just that—the license, fee or excise for which the resident has become liable and for which

payment is due by him to the State.

"Require" is synonymous with "demand". New York & P.R.S.S. Co. v. McGowin Lumber & Export Co., 284 Fed. 513 (1922). It means to "demand" or "exact" or "ask by authority". Federal Lead Co. v. Swyers, 161 Fed. 687, 692 (1908). Its traditional definition is "to ask for" and "to demand as necessary" and it is the opposite of voluntary. People v. Robinson, 222 Cal.App.2d 602, 608 (1962); Duff v. Alliance Mutual Casualty Company, 296 F.2d 506, 509 (1961).

III. The Exemption of the Relief Act Is No? Denied a Serviceman if His State of Residence Fails to Require Licenses, Fees and Excises.

This Court in Dameron v. Brodhead, 345 U.S. 322, 326; 97 L.ed 1041; 73 Sup. Ct. 721 (1953), stated:

"Congress appears to have chosen the broader technique of the statute carefully, freeing servicemen from both income and property taxes imposed by any state by virtue of their presence there as a result of military orders. It saved the sole right of taxation to the state or original residence whether or not that state exercised the right." (Emphasis supplied.)

This Court has thus ruled that a serviceman is afforded the protections of the Act if his state of residence imposes no tax; it follows as a matter of simple logic that if a tax is imposed as to some servicemen, but is as yet not imposed on others, that the others are protected under the Act. The Supreme Court of California rejected petitioner's argument that Congress was in effect recognizing that all States impose licenses, fees and excises, and that it was intending to assure that the exemption would be granted only those servicemen who had paid them—whether or not their payment was yet required by the State of residence. In its opinion in this case, the Supreme Court of California stated:

"Defendant [respondent] urges that he was not required to obtain a vehicle license and plates by his domiciliary state except as a prerequisite to the operation of his vehicle 'over and along a public highway' of that state; that he has not driven his vehicle on such public highways; that, accordingly, no license charges or registration fees became due; that he has satisfied all licensing and registration obligations which that state required of him, and that he has likewise satisfied the proviso of the Relief Act. The argument meets the literal and commonsense meaning of the pertinent statutory provision . . . We cannot, as is urged, conclude that subdivision (2) [of Section 574] is intended to work to the serviceman's advantage only where a charge has been made by and paid to his domiciliary state. The statute is not couched in terms which flatly require the serviceman to have paid a fee, but rather in terms which accord to him the benefit when charges 'required by the State' have been paid. These are the only charges which he must pay and when there are no charges made there must likewise be no requirement that he pay them." (R.T. 47. Emphasis and portion in brackets supplied.)

Civilian residents of Washington have no liability under the Washington statutes unless and until they drive on Washington highways. Washington servicemen stationed in Washington have no liability under the statutes unless and until they drive on Washington highways. It cannot have been intended by Congress to limit the application of Section 574 to Washington servicemen stationed elsewhere only where they have voluntarily assumed a liability which does not otherwise exist.

IV. The California Supreme Court Correctly Interprets the Relief Act to Assure Against Multiple Taxation.

This Court in Dameron v. Brodhead, supra, also ruled that the Relief Act is designed to prevent multiple taxation. Indeed, in the Dameron case the respondent urged that the Act applied only when multiple taxation was a "real possibility", but this Court firmly refused to apply any such limitation on its application.

In the instant case, as we have pointed out, respondent bought his car while on extended temporary duty in Alabama, more than 2500 miles from his home state and more than 2000 miles from his duty station in California. He voluntarily registered his car in Alabama and paid all Alabama fees at that time. No other alternative was open to him except to attempt to register it in Washington by long distance, by mail.

Washington law has strict provisions requiring certificates of ownership as a prerequisite to registration. (Sections 46.12.010, 46.12.020, Revised Code of Washington.) Forms for ownership documents, for registration and for license plates would all have to be obtained from the responsible Washington offices, returned to the serviceman and completed by him without advice or assistance by Washington officials familiar with such documents. They would then have to be returned to Washington for processing. After they were considered and acted upon by those officials, they would have to be returned to the serviceman.

This would be the normal cumbersome routine; but further delays and hindrances could develop. Most important, however, under Section 46.12.030 of the Revised Code of Washington the applicant for a certificate of ownership must describe the vehicle and all encumbrances on it, and

"... the director of licenses may in any instance, in addition to the information required on said application [for a certificate of ownership] require additional information and a physical examination of the vehicle..." (Portion in brackets and emphasis supplied.)

Under these statutes, an attempt to register a car by mail could be completely thwarted if the director chose to demand physical examination of the vehicle and it could be delayed interminably if the director chose to demand "additional information." In such cases, the serviceman would have no alternative but to register his car and pay the appropriate taxes in the State where he purchases it. If the thesis of petitioner's brief is correct, however, that serviceman would have to pay the fees where he purchased the car, the fees of his home State the moment he drove it on its highways and, in addition, the fees of any other State into which he drove the car prior to returning to his home State.

In respondent's situation a direct route from the state of purchase (Alabama) back to his permanent duty station (California) would pass through Mississippi, Louisiana, Texas, New Mexico, Arizona and Nevada—a total of eight states. If petitioner's argument is a valid one, then each of those eight states could properly have demanded that respondent pay all of their license fees, taxes and excises. If petitioner's argument is a valid one, respondent had no protection against this sort of liability unless he could have forced Washington to accept (by mail) registration and license fees which were not yet required to be paid by him,

for a car which Washington might well have refused to register.

The California Supreme Court in its opinion in the case at bar recognized that the Relief Act is designed to protect against multiple taxation and that to accept petitioner's argument would:

"... lead us to the very results which the Relief Act, by its purpose, seeks to avoid. If, for instance, California may exact the instant charges from defendant [respondent], then so may any other state into which he brings his vehicle until such time as he enters his domiciliary state and pays the fees there required for the first time. Such a narrow construction would frustrate the obvious beneficent purpose of the act ..." (RT 48.)

V. Petitioner's Reliance on the Whiting Case Is Misdirected.

Petitioner attempts to argue that Whiting v. City of Portsmouth, 118 S.E. 2d 505 (Va. 1961), supports its position. This reliance is misdirected as the facts of the Whiting case have no parallel in the case at bar. Whiting, a serviceman, chose voluntarily to register his car in Virginia, the state where he was stationed, and paid all state taxes. He had voluntarily chosen not to register it in Colorado, his state of domicile. The issue was whether the City of Portsmouth, Virginia, where he lived, might assess him for city taxes. The court held that the city might do so because:

"... appellant would be exempt from payment of the Portsmouth license tax only if he had paid a license tax thereon in Colorado, where he claimed his residence to be. Since it is admitted that he had not paid such license tax in that State, or elsewhere than in Virginia, he is therefore not exempt from the payment of the license tax assessed by the city of Portsmouth." 118 S.E. 2d at 507. (Emphasis supplied.)

Thus, the court never considered what is the situation in respondent's case, that is, the effect of there being no tax yet required by the serviceman's state of domicile. Furthermore, it never considered the effect of the payment of taxes in a state other than his state of domicile.

The Supreme Court of California considered petitioner's reliance on the Whiting case and stated:

"... it does not appear from the opinion in that case [the Whiting case] whether the serviceman was required and had failed to pay fees in Colorado. Thus the issue herein raised was not considered or resolved by the Virginia court." (Emphasis the court's; portion in brackets supplied.) (T.R. 47)

CONCLUSION

This Court has consistently ruled that the Soldiers' and Sailors' Civil Relief Act must be construed liberally in favor of the serviceman. LeMaistre v. Leffers, 333 U.S. 1, 6; 92 L.ed 429; 68 Sup. Ct. 371 (1948). The judgment of the California Supreme Court gives the Act such a liberal construction and should be affirmed.

Respectfully submitted,

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